

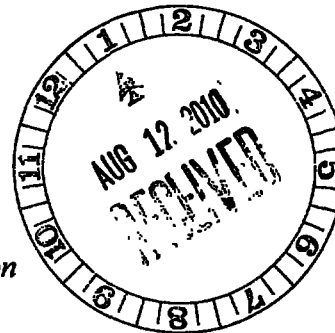
**LAW OFFICES OF
LOUIS E. GITOMER**

LOUIS E. GITOMER
LOU_GITOMER@VERIZON.NET

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600 BALTIMORE AVENUE
TOWSON, MARYLAND 21204-4022
(202) 466-6532
FAX (410) 332-0885

August 12, 2010

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423



RE: Finance Docket No. 35402, *Piedmont & Northern Railway, Inc.—Operation Exemption—North Carolina Department of Transportation*

Dear Ms. Brown:

227638

Enclosed for filing are the original and 10 copies of a Verified Notice of Exemption under 49 C.F.R. 1150.31, a check covering the \$1,800.00 filing fee, and a CD with the file Notice of Exemption.

Please time and date stamp the extra copy of this letter and the Verified Notice of Exemption and return them with our messenger. Thank you for your assistance.

If you have any questions, please call or email me.

Sincerely yours,

Louis E. Gitomer
Attorney for: Piedmont & Northern Railway,
Inc.

Enclosures

ENTERED
Office of Proceedings

AUG 12 2010

Part of
Public Record

FEE RECEIVED
AUG 12 2010
SURFACE
TRANSPORTATION BOARD

ENTERED
Office of Proceedings

AUG 12 2010

Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35402

PIEDMONT & NORTHERN RAILWAY, INC.—OPERATION EXEMPTION—
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

FILED

AUG 12 2010

**SURFACE
TRANSPORTATION BOARD**

FEE RECEIVED

AUG 12 2010

**SURFACE
TRANSPORTATION BOARD**

**ENTERED
Office of Proceedings**

AUG 12 2010

**Part of
Public Record**

Louis E. Gitomer, Esq.
Law Offices of Louis F. Gitomer LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250

Attorney for PIEDMONT & NORTHERN
RAILWAY, INC.

Dated: August 12, 2010

BEFORE THE
SURFACE TRANSPORTATION BOARD

FINANCE DOCKET NO. 35402

PIEDMONT & NORTHERN RAILWAY, INC.—OPERATION EXEMPTION—
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. § 1150.31, Et Seq.

Piedmont & Northern Railway, Inc. ("P&N"), a noncarrier, files this Notice of Exemption, pursuant to 49 C.F.R. Part 1150, Subpart D – Exempt Transactions, with the Surface Transportation Board (the "Board") to permit P&N to operate over about 13.04 miles of track between Mt. Holly, milepost SFC 11.39, and Gastonia, milepost SFC 23.0, including the Belmont Spur between Mt. Holly, milepost SFC 13.6/SFF 0.13, and Belmont, milepost SFF 1.56, all in Gaston County, NC (the "Line"). The Line is the first line of railroad to be operated by P&N as a line of railroad.

In support of this Notice of Exemption, P&N submits the following information as required by 49 C.F.R. § 1150.33:

a. Full name and address of applicant:

Piedmont & Northern Railway, Inc.
One Boca Place
2255 Glades Road, Suite 342W
Boca Raton, FL 33431
(561) 443-5300

b. Applicant's Representative:

Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou_Gitomer@verizon.net

c. Patriot Rail Corporation, on behalf of P&N, as operator, has entered an agreement dated as of July 23, 2010 with the North Carolina Department of Transportation.

d. The operator of the Line will be P&N.

e. Summary of proposed transaction:

1. The name and address of the party transferring the property is:

North Carolina Department of Transportation
Rail Division
1553 Mail Service Center
Raleigh, NC 27699-1553

The North Carolina Department of Transportation is not a carrier. The North Carolina Department of Transportation acquired the line upon its abandonment by [who and when]. The North Carolina Department of Transportation has licensed P&N to provide operations over the Line.

2. The proposed time schedule for the consummation of the transaction is on or after September 11, 2010.

3. The mileposts of the subject property, including any branch lines. The 13.04 miles of track run between Mt. Holly, milepost SFC 11.39, and Gastonia, milepost SFC 23.0, including the Belmont Spur between Mt. Holly, milepost SFC 13.6/SFF 0.13, and Belmont, milepost SFF 1.56, all in Gaston County, NC.

4. P&N will operate over 13.04 route miles as a common carrier railroad. P&N intends to interchange traffic with CSX Transportation, Inc. ("CSXT") and the Norfolk Southern Railway Company ("NS").

f. A color map of the Line is attached as Exhibit C.

g. A Certificate of Compliance with the provisions of 49 CFR § 1150.33(g) is attached as Exhibit A.

h. There are no interchange commitments or paper barriers in the agreement between P&N and the North Carolina Department of Transportation. Nor will there be any interchange commitments or paper barriers in the Interchange Agreements between P&N and CSXT or NS.

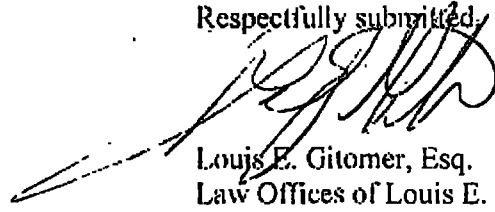
i. A caption summary, as required by 49 C.F.R. §1150.34, is attached as Exhibit B.

j. No environmental documentation is required because there will be no operational changes that would exceed the thresholds established in 49 CFR §1105.7(e)(4) or (5) and there will be no action that would normally require environmental documentation. Hence, this Notice of Exemption does not require environmental documentation under 49 CFR §1105.6(b)(4) and (c)(2)(i).

k. An historic report is not required because P&N will operate the Line, will require further Board approval as required to discontinue any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require an historic report under 49 C.F.R. §1105.8(b)(1).

This action will not significantly affect either the quality of the human environment or energy conservation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Louis E. Gitomer', is written over the typed name and address.

Louis E. Gitomer, Esq.
Law Offices of Louis E. Gitomer LLC
600 Baltimore Avenue, Suite 301
Towson, MD 21204
(410) 296-2250
Lou_Gitomer@verizon.net

Attorney for PIEDMONT & NORTHERN
RAILWAY, INC.

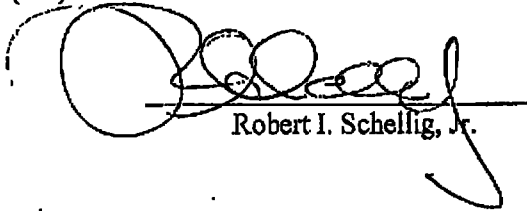
Dated: August 12, 2010

EXHIBIT A

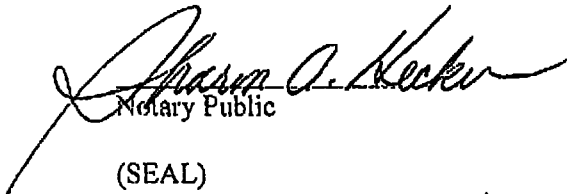
CERTIFICATION

State of Florida)
) ss:
County of Palm Beach)

I, Robert I. Schellig, Jr., being duly sworn, deposes and says that he is Vice-President Law of the Piedmont & Northern Railway, Inc., a Delaware corporation, and that the projected annual revenues from the rail operations would not exceed those that would make it a Class III carrier under 49 CFR Part 1201(1-1) and would not exceed \$ 5 million.


Robert I. Schellig, Jr.

Subscribed and sworn to before me this 11th day of August 2010.


Notary Public
(SEAL)

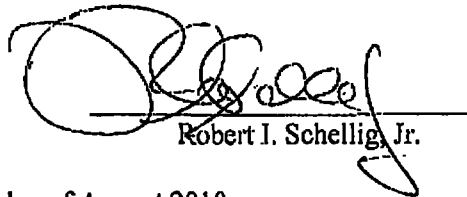
My Commission Expires: Nov. 29, 2011



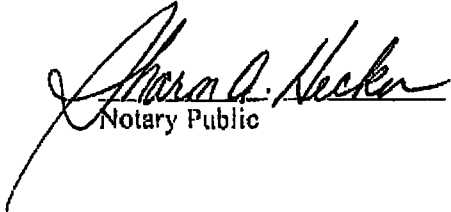
VERIFICATION

State of Florida)
) ss
County of Palm Beach)

I, Robert I. Schellig, Jr., being duly sworn, deposes and says that he is Vice-President Law of the Piedmont & Northern Railway, Inc., a Delaware corporation, and that I have read the foregoing notice of exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information and belief.


Robert I. Schellig, Jr.

Subscribed and sworn to before me this 11th day of August 2010.


Notary Public

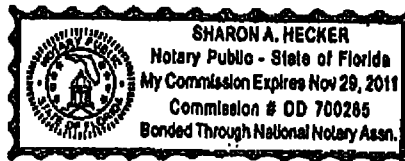


EXHIBIT B – CAPTION SUMMARY

SURFACE TRANSPORTATION BOARD

Notice of Exemption

FINANCE DOCKET NO. 35402

PIEDMONT & NORTHERN RAILWAY, INC.—OPERATION EXEMPTION—
NORTH CAROLINA DEPARTMENT OF TRANSPORTATION

Piedmont & Northern Railway, Inc. (“P&N”) has filed a notice of exemption to operate over about 13.04 miles of track between Mt. Holly, milepost SFC 11.39, and Gastonia, milepost SFC 23.0, including the Belmont Spur between Mt. Holly, milepost SFC 13.6/SFF 0.13, and Belmont, milepost SFF 1.56, all in Gaston County, NC, owned by the North Carolina Department of Transportation.

The transaction is scheduled to take place on or after September 11, 2010.

P&N certifies that its projected annual revenues as a result of this transaction will not exceed those that would qualify it as a Class III rail carrier and further certifies that its projected annual revenue will not exceed \$5 million.

A class exemption for Patriot Rail, LLC (“PRL”), and its subsidiaries Patriot Rail Holdings LLC (“PRH”) and Patriot Rail Corp., to continue in control of Piedmont & Northern Railway, Inc., was concurrently filed in Finance Docket No. 35403, *Patriot Rail, LLC, Patriot Rail Holdings LLC, and Patriot Rail Corp.—Continuance in Control Exemption—Piedmont & Northern Railway, Inc.*

If the notice contains false or misleading information, the exemption is void *ab initio*. Petitions to reopen the proceeding to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

Petitions to stay must be filed no later than September 4, 2010 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35402, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Louis E. Gitomer, Esq., Law Offices of Louis E. Gitomer LLC, 600 Baltimore Avenue, Suite 301, Towson, MD 21204, (410) 296-2250, Lou_Gitomer@verizon.net.

Board decisions and notices are available on our website at "WWW.STB.DOT.GOV."

Decided: _____, 2010.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

EXHIBIT C-MAP

